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SUBJECT: EGYPT - FOLLOW-UP TO THE PRESIDENT'S SPEECH PART I- WAY FORWARD IN REACHING EDUCATION GOALS

¶1. (SBU) Key Points:

-- The President's historic June 4 speech in Cairo converges with efforts at post and initial discussions with the government of Egypt to refocus Economic Support Fund priorities toward poverty eradication, with special emphasis on improving education and access to opportunity in Egypt.

-- Many of the President's other initiatives will also find enthusiastic support here as well; we will address other opportunities septel.

-- Our initial discussions have identified three main educational focal areas that will demonstrate the President's vision and find ready partners in Egypt. First, we are prepared to expand scholarships for study in the US for young Egyptians significantly. Second, we intend to develop more extensive and effective programs to match the skills of Egypt's youth with the marketplace. Third, we want to address the overall quality of Egypt's educational system by accelerating and improving Egypt's National Teacher Training Plan and introduce other high impact initiatives aimed at creating graduates capable of innovation and participation in the global economy of the 21st century, with heightened focus on science, technology, and mathematics skills.

-- In the short term we will work with funds already allocated to expand our cooperation in education. We have at least \$40 million in FY2009 that can be redirected toward educational goals, and anticipate over \$100 million in FY2010 that can fund education initiatives.

-- The President's call to support entrepreneurship, technological development, and to create scientific centers of excellence can be integrated into our overall education approach. We envisage expanding public-private partnerships in pursuit of these goals and also see a role for online networking to amplify success stories and create new partnerships. We can start immediately by injecting additional funds into the existing US Egypt Science and Technology Cooperation Fund, a longstanding and successful mechanism for bilateral scientific cooperation. This is an immediate and effective way to spur innovation.

Education: Key to Egypt's Future

¶2. (SBU) The President's observation that "education and innovation will be the currency of the 21st century" is nowhere more meaningful than Egypt, a country that introduced modern educational institutions and methods in the early part of the twentieth century but that has sadly witnessed the deterioration of these institutions and standards over the last sixty years. Egyptians across all classes agree that Egypt's public education system is failing its children and undermining its competitiveness.

¶3. (SBU) Egypt has begun to address its educational deficiencies, but the size of the problem, lack of resources, and in some cases weak political will have resulted in such slow, incremental progress that no one has confidence in the government's ability to reform this vital sector. Ongoing USAID programs support GOE efforts to fix endemic problems, like illiteracy, with particular focus on primary education and teacher training. Following the President's speech, the Embassy received a letter of interest from Egyptian Foreign Minister Aboul Gheit (full text septel) which outlined interest in exchange programs and capacity building (including both

infrastructure requests and teacher training programs). We believe given our experience and the GOE's interest, we see a window of opportunity to build on existing momentum to accelerate educational reform efforts and to offer bold, new high impact programs that could attract additional support from the private sector as well.

Expanding Exchanges and Increasing Scholarships

14. (SBU) Mission Cairo currently supports several hundred successful academic exchanges annually, but additional investment in post-graduate scholarships will support our goals to create measurable change in the Egyptian educational system over the next three years. We believe that a major portion of so-far unobligated \$40 million in FY2009 ESF can jump-start our education initiative. Some of our ideas include: (1) funding MA and Ph.D programs for educators who will lead improvements in the teaching of science and math in Egyptian schools; (2) expand the number of students in the NESPA Undergraduate Intensive English Language Study Program and formally tie success in that 6-week program to the chance to complete an undergraduate degree in the U.S.; (3) expand the Fulbright-supported Community Colleges Initiative to focus on decentralized school administration training in rural areas to create a cohort of dynamic, jobs-oriented Egyptian school managers; (4) enlarge the scope of successful English programs like the English ACCESS Microscholarship Program targeting disadvantaged youth aged 14 to 17, which has been extremely successful in increasing English proficiency and exposing students to American culture. In addition, expand the YES high school exchange program to reach more students. (Note: We also envisage use of some of the \$40 million as seed money to develop initiatives described below to realize other elements of our education approach: how to do teacher

CAIRO 00001158 002 OF 002

training more effectively; how to use online networking capabilities to support educational reform; how to coordinate with existing public-private partnerships in education to maximize their impact in Egypt. End Note.)

Connecting Graduates to the Job Market

15. (SBU) Efforts to address the gap between students and potential employers begins with dialogue. A number of successful, albeit limited, programs already exist in this area, many involving the private sector, and the Mission will explore if these can be effectively expanded. The U.S. can encourage collaboration with the private sector by establishing networks of business leaders, Egyptian, American and international luminaries, civil society, and foundations to address major impediments to youth employment. Such a system would be open, encourage transparency and competitiveness while also encouraging a refocus of curriculum goals to meet the labor market with private sector input.

16. (SBU) Egypt's current education system, established in 1952, was designed to train bureaucrats to enter public service. In today's job market these graduates are ill equipped to enter the workforce; the private sector and GOE have expressed interest in remedying this problem. We can bring US expertise in the area of curriculum development particularly in science and technology. (Note: We have faced challenges in working with the GOE on issues of curriculum development in the past. It is a sensitive area but an important one. End Note.) We will look to lessons learned from recent USAID secondary education programs targeting training in agriculture sector where jobs will make a significant impact on the lives of those outside the society's elites. Focus on this sector helps support the expanding production in agriculture based exports that create income and support the Egyptian economy.

Capacity Building

17. (SBU) Neither adequately paid nor trained, instructors have been known to leave their teaching position for better paid positions in other sectors. To address these constraints, teachers will need adequate living wages, on-going professional training, and possibly

exchange programs. Centers of Excellence for teacher training could be established to upgrade the teaching profession. The MOE is interested in such a model.

¶18. (SBU) One idea that we have is to refine Egypt's existing "model schools" (public schools with better infrastructure and teachers) further as sources of academic excellence and as laboratories for teaching training and curriculum development. Upgrading their English-language training, and science and math training in particular could produce a steady stream of high-school graduates who could compete for foreign scholarships and become the brain trust of the next generation.

Fostering Innovative Approaches to Reform through an Endowment

¶19. (SBU) The GOE has been interested for some time in developing an endowment mechanism that over time could become the legacy institution of the U.S.-Egyptians ESF program. The GOE is pursuing Public Private Partnerships in higher education as a sustainable vehicle towards expansion and diversifying institutional funding. Through a US-Egypt endowment, we can encourage this and similar initiatives, such as student micro-loans, which exploit alternative funding streams, permit autonomy, and engage the private sector. We will begin discussions in July with the GOE on the form of a possible endowment. We anticipate that negotiations for this instrument could take well over a year.

¶110. (SBU) The Egypt Science and Technology Cooperation Fund is one of the most active and productive bilateral relationship in OES. Since its creation in 1995, there have been over 400 funded scientific collaborations between American scientists and their Egyptian counterparts. Our efforts have also led to the development of the Egypt Science and Technology Development Fund (STDF), modeled on our own National Science Foundation (NSF). Building on the fund to create an independent, autonomous organization, better equipped to manage scientific research, answers the President's call to support both research of young scientists and to identify scientific interactions that have strong commercial potential - leading to the creation of new jobs.

¶11. (SBU) Extending the work of the Fund to educational partnerships, likely on-line, that focus on science education, particularly girls education and the environment are in line with the goals set out by the President's speech and a natural progression of this successful partnership.

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